

April 29, 2011

To: Executive Board

Subject: **Proposed Fiscal Year 2012 Business Plan**

Recommendation

Recommend approval of Foothill Transit's proposed Business Plan and Performance Targets for Fiscal Year 2012 to the Foothill Transit Governing Board.

Analysis

The Business Plan development process provides an opportunity to review Foothill Transit's current and planned financial status in relation to goals and objectives. In order to facilitate this process, a final draft business plan has been developed which incorporates overall goals and supporting action steps. Also included in the document are Fiscal Year 2011 accomplishments, a budget summary and departmental budget summaries.

Foothill Transit is required annually to submit a balanced budget and a Short Range Transit Plan (SRTTP) to the Los Angeles County Metropolitan Transportation Authority in order to receive subsidy funds. Both documents have been incorporated into a single Business Plan for the organization. In addition, the organization's Five-Year Financial Outlook has been incorporated into the Business Plan.

The Fiscal Year 2012 Business Plan is provided in **Attachment A**. This Business Plan was developed with the organization's mission as its central focus. *The mission of Foothill Transit is to be the premier public transit provider committed to safety, courtesy, quality, responsiveness, efficiency and innovation.* Supporting this mission, the primary goals of Foothill Transit are to:

- Operate a safe transit system;
- Provide outstanding customer service;
- Operate an effective transit system; and
- Operate an efficient transit system.

Goals and performance measures tied to each of the four goals listed above have been incorporated into the plan to ensure that Foothill Transit's resources are focused on achieving its mission. In order to fulfill its mission and meet its goals, Foothill Transit's proposed business plan includes detailed initiatives. Over the next year, the proposed business plan will allow Foothill Transit to:

- Improve system-wide schedule adherence to 90 percent

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- Fully implement Ecoliner service on Line 291
- Procure two new operations and maintenance contracts
- Retire all diesel powered transit coaches
- Continue development of San Gabriel Valley Park and Rides
- Implement Foothill Transit's Environmental Management System
- Implement new media technology to enhance customer care

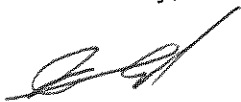
Financial Impact

Foothill Transit's proposed FY 2012 budget is balanced between revenues and expenses with an estimated \$67.8 million operating budget and a \$56.3 million capital budget, for a total budget of \$124.1 million. The Fiscal Year 2012 Business Plan targets a farebox recovery ratio of 26.15 percent.

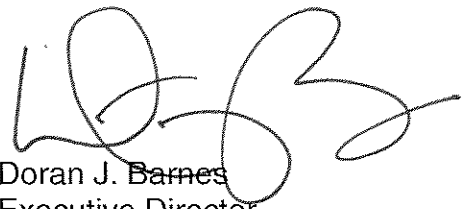
Revenue projections are based on annual "funding marks" developed by the Los Angeles County Metropolitan Transportation Authority (Metro). This Business Plan includes estimated funding allocations from Metro for Fiscal Year 2012, including Municipal Operator Service Improvement Program (MOSIP) funds as the Metro Board has extended that program indefinitely. This is one of Foothill Transit's primary sources of local matching funds for federally funded capital projects.

The agency's capital revenues include \$5.6 million in Volumetric Excise Tax Credit on compressed natural gas since that funding source has been authorized by the federal government through December 2011. This year's plan also includes \$3.25 million in State Transit Assistance (STA) funds as those funds have been restored in the proposed state budget.

Sincerely,



Kevin McDonald
Deputy Executive Director



Doran J. Barnes
Executive Director

Attachment